

## Community resources

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*courage is contagious*

## Viewing cable 09QUITO390, ECUADOR CONSIDERING NEW "TRADE AND DEVELOPMENT" PROPOSAL

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09QUITO390**.

Reference ID	Created	Released	Classification	Origin
09QUITO390	2009-05-28 21:05	2011-08-30 01:44	CONFIDENTIAL	Embassy Quito

Appears in these articles:

<http://www.eluniverso.com/2011/04/26/1/1355/cable-209142.html>

VZCZCXYZ0000  
RR RUEHWEB

DE RUEHQT #0390/01 1482105  
ZNY CCCCC ZZH  
R 282105Z MAY 09  
FM AMEMBASSY QUITO  
TO RUEHC/SECSTATE WASHDC 0408  
INFO RUEHBO/AMEMBASSY BOGOTA 8156  
RUEHCV/AMEMBASSY CARACAS 3555  
RUEHLP/AMEMBASSY LA PAZ MAY LIMA 3212  
RUEHGL/AMCONSUL GUAYAQUIL 4338

C O N F I D E N T I A L QUITO 000390

SIPDIS

USTR FOR BENNETT HARMAN  
USDOC 4332/MGAISFORD

E.O. 12958: DECL: 05/29/2019

TAGS: [ETRD](#) [ECON](#) [EC](#)

SUBJECT: ECUADOR CONSIDERING NEW "TRADE AND DEVELOPMENT" PROPOSAL

REFTEL A: Quito 373  
B: Qu...

id: 209142  
date: 5/28/2009 21:05  
refid: 09QUITO390  
origin: Embassy Quito  
classification: CONFIDENTIAL  
destination: 09QUITO344|09QUITO373  
header:  
VZCZCXYZ0000  
RR RUEHWEB

DE RUEHQT #0390/01 1482105  
ZNY CCCCC ZZH  
R 282105Z MAY 09  
FM AMEMBASSY QUITO  
TO RUEHC/SECSTATE WASHDC 0408  
INFO RUEHBO/AMEMBASSY BOGOTA 8156  
RUEHCV/AMEMBASSY CARACAS 3555  
RUEHLP/AMEMBASSY LA PAZ MAY LIMA 3212  
RUEHGL/AMCONSUL GUAYAQUIL 4338

----- header ends -----

C O N F I D E N T I A L QUITO 000390

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REFTEL A: Quito 373

B: Quito 344

Classified by: Ambassador Heather Hodges, Reasons 1.4 (b) and (d).

11. (U) Please see action request in para 10.

12. (C) Summary: Several GOE officials have made statements suggesting the GOE will seek a new type of commercial agreement with the United States. This "trade agreement for development" would evidently include political dialogue and cooperation (assistance) components in addition to trade, and would incorporate numerous trade protections for "sovereignty." The GOE is reportedly working on a proposal, and apparently has convinced itself that this approach was endorsed by President Obama at the Summit of the Americas. End Summary.

13. (C) The GOE has been hinting at a new commercial relationship with the United States, including a new type of commercial agreement, in several fora. On May 7, in a meeting with Ambassador Hodges, Foreign Minister Falconi raised the possibility of a "trade agreement for development" with the U.S., while commenting that the GOE was working on a proposal which would meet the sovereignty requirements of Ecuador's new constitution (reftel b). In a subsequent radio interview on May 14, Falconi expanded on the theme of a new type of "asymmetrical" trade agreement, explaining that Ecuador wanted agreements that would incorporate food sovereignty, financial sovereignty, and public policy sovereignty. On May 13, Minister of Industries Abad also implied that the GOE was working on a proposal for a commercial agreement (reftel a).

14. (C) On May 20, EconCouns and Econoff met with the new Under Secretary for Economic and Commercial Affairs, Ivonne Garces, for an introductory meeting. Garces led off the meeting by noting the importance for Ecuador of renewing the Andean Trade Preferences Act (ATPA), and then continued by saying that the GOE was working on a proposal for a new form of trade agreement, with the intention of reducing uncertainty due to the frequent, short-term extensions of ATPA. Reiterating points used by FM Falconi, she noted that the basic idea would be a trade agreement that would take into consideration Ecuador's development needs and the limitations established by Ecuador's new constitution and laws. She said that

the idea was well-received by President Obama when President Correa raised the concept during the UNASUR meeting at the Summit of the Americas.

¶5. (C) EconCouns initially did not engage in a direct discussion on the GOE concept for a commercial agreement. Instead, the conversation turned to Ecuador's stalled negotiations with the EU over a trade agreement, and that conversation provided some insight into current GOE thinking on trade agreements. Garces said that she understood that there were basic international models for trade agreements, such as those used by the EU and the United States, and that Ecuador would have to work with those models. However, Ecuador intended to propose modifications to incorporate "sovereignty" (particularly new constitutional restrictions), and the result would form the basis of an Ecuadorian proposal. Garces mentioned several restrictions dictated by the new constitution that would need to be incorporated, such as priority for domestic suppliers in government purchases, and restrictions on private investment in strategic sectors such as petroleum and mining. In addition, Ecuador would have to incorporate provisions established in its new Food Sovereignty Law. Furthermore, Ecuador would seek to incorporate political and cooperation (assistance) components into its vision for a new trade agreement, similar to what it is seeking in its EU agreement (septel).

¶6. (C) On questioning, Garces said that Ecuador was still working on its proposal. She suggested that Ecuador was defining the broad concepts for its proposal, but does not currently have any model language.

¶7. (C) EconCouns did not comment on the concepts explained by Garces, but did note that the U.S. Administration does not have trade promotion authority to negotiate trade agreements. Garces appeared visibly surprised at the suggestion that the U.S. might not be in a position to move quickly on the forthcoming GOE proposal. She returned to the point that President Correa's proposal had been "well received" by President Obama.

¶8. (C) Comment: The GOE is developing broad concepts for a revised trade agreement model, although evidently with terms that will largely favor Ecuador. It is not clear whether the GOE considers its pending proposal as a gesture to strengthen bilateral ties, or is simply motivated in part by a desire to have a trade arrangement that is more permanent and predictable than ATPA. We do not have the specifics of what Ecuador intends to propose, but it appears to have at least two sets of issues that might differ from the trade agreements that we have negotiated with other countries in the region: sizeable carve-outs in several sectors to reflect restrictions in the Ecuadorian constitution and laws, and an important, although possibly only symbolic, inclusion of political and cooperation/assistance matters.

¶9. (C) Comment, continued: The Embassy does not have a read-out of how this matter was addressed at the presidential meeting at the Summit of the Americas. However, it appears that the GOE believes that it has President Obama's agreement to proceed with Ecuador's trade proposal.

¶10. (C) Action request: The Embassy would appreciate guidance on responding to the GOE even if they do not have an official proposal as yet. We may need to manage expectations at senior levels in the GOE.

HODGES

=====CABLE ENDS=====